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PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH COUNTRY PROGRAMME FOR SEYCHELLES

Programme period	Actual resources programmed	$
1992-1996	Net IPF	1 031 000
	Estimated cost-sharing	0
	Total	1 031 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. Economic growth in the Seychelles has been vigorous and uninterrupted since the country emerged from the effects of recession in the early 1980s. Between 1983 and 1988, a yearly average growth rate in real terms of nearly 6 per cent was achieved. Of the 1989 gross domestic product, transport and distribution accounted for 21 per cent, and manufacturing/construction, tourism and government services each represented 14 per cent. During the same period, formal employment increased at an average annual rate of 2.7 per cent. At the end of 1989, out of a total population of approximately 68,000, some 21,000 people were formally employed, with the public sector taking 8,000, the private sector 7,000, and the parastatal sector 6,000. However, a serious shortage exists of skilled and managerial labour, resulting in a relatively high utilization of an expatriate workforce. Although growth in national production has been reflected in all the major components of GNP, imports have expanded more slowly than exports, thus gradually closing the trade deficit; both private and public consumption have grown between 1983 and 1988 at a slightly higher rate than capital expenditure, but capital formation has nevertheless proceeded at a vigorous pace.

2. Marked improvement in the material standard of living has been achieved by the entire nation and at the same time the productive basis of the economy has been expanded and modernized. The Government's concern that people be at the centre of all development is reflected in the country's high ranking (63rd out of 160) in the Human Development Index of the 1991 Human Development Report. Alongside a rising material standard of private consumption, the rising standard of living of the population is reflected in more and better health care and education (both available to citizens free of charge), housing, community activities and other forms of public consumption.

3. Progress in both consumption and investment has been based to a great extent on external borrowing, rather than on internal savings. In 1990, debt servicing stood at 20 per cent of export earnings. The Government has maintained a consistent fiscal and monetary policy of prudent demand management and, lately, also of supply management. At the same time, commitment to a liberal exchange and payments system has continued. The budget deficit has been constantly reduced, reaching only 1.7 per cent of GDP in 1991, even during the Gulf crisis, which negatively influenced Seychelles' economy. Over the same period, monetary policy remained essentially tight, with few changes effected by the rather high domestic interest rate structure. The focus of monetary policy has been to support fiscal adjustment and to maintain a stable financial environment conducive to long-term growth. A well defined process of democratization and multiparty politics has been initiated by the Government aimed at realizing and enhancing participation and efficiency in the economy as a whole.

B. National development objectives and strategies

4. The Government's National Development Plan (1990-1994) presents three main goals: (a) to improve Seychellois standards of living and quality of life; (b) to achieve sustainable development; and (c) to foster self-sufficiency and self-reliance. In practical terms, the Government's strategy centres on directing tourism development more towards the upper segment of the international market, reorienting the economy in favour of service-oriented activities and expanding the fishing industry, all of which will necessitate not only preservation of a fragile ecosystem, but also a skilled and efficient workforce. An environmental management plan has been adopted in conjunction with the five-year National Development Plan, while a human resource development plan is being prepared, both as policy and programme frameworks for donor cooperation and support.

II. EXTERNAL COOPERATION

A. Role of external cooperation

5. During the past four years, France has been the largest bilateral aid donor, followed by the United States of America, USSR and India. Donor assistance estimates during 1990 (obtained from government and donor sources) are reflected in the following table:

Summary of external assistance 1990
by type of assistance and donor

Thousands of dollars

	UNDP	Other United Nations system a/	Multilateral (non-UN)	Bilateral	NGO	TOTAL
Technical cooperation	205	502	435	9 675	187	11 004
Investment project assistance	-	-	3 325	13 017	-	16 342
Balance-of-payments support	-	-	-	2 200	-	2 200
Commodity aid	-	147	-	5	-	152
TOTAL	205	649	3 760	24 897	187	29 698

a/ United Nations Population Fund (UNFPA), World Food Programme (WFP), World Health Organization (WHO), and the United Nations Children's Fund (UNICEF).

6. Total external assistance represented 10 per cent of GDP in 1989 and of this amount, technical cooperation represented 37 per cent, with the United Nations system contributing $707,000 or 6 per cent of total technical assistance provided in 1990. UNDP provided $205,000 or 29 per cent of total United Nations system assistance. Major NGOs provided technical assistance totalling some $374,000 over the two-year period 1990-1991. The relatively high per capita GNP influences aid flows and is also reflected in the preponderance of investment loans from multilateral and bilateral sources representing 54 per cent of non-concessionary external assistance. Bilateral assistance, the major source of aid, contributed $24.9 million or 84 per cent of total aid received.

B. Aid coordination arrangements

7. The Ministry of Planning and External Relations, in particular the Division of Planning and Economic Cooperation, has statutory responsibility for the management of external aid and works in close collaboration with the Ministry of Finance and the technical ministries in establishing annual capital budgets for financing identified programmes/projects. Through constant dialogue with the donor community, the Ministry ensures coordination and smooth implementation of all aid programmes, including technical assistance, scholarships, commodity aid and project financing. UNDP, through quarterly visits of the Resident Coordinator (based in Mauritius), consults with the Government and bilateral donors, and plays a complementary role to the Government's aid coordination efforts. For the next cycle, the Government is interested in the National Technical Cooperation Assessment and Programme (NATCAP) process and has requested UNDP to explore a Technical Cooperation among Developing Countries (TCDC) mechanism to facilitate the Government's initiation of a NATCAP exercise under the fourth country programme.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

8. The third country programme was the subject of a mid-term review in February 1990. The review noted little overall impact of the programme on the priority sectors based on the objectives of the National Development Plan for 1985-1989. The programme consisted of a number of small projects in various sectors, most of which focused on strengthening institutional capacity by direct training in planning and policy formulation, agriculture, industry, transport and communications, and international trade. While not linked in a meaningful way, the immediate objectives of most individual projects were explicit and produced desired results. The indicative planning figure's (IPF) catalytic effects were reflected in additional/complementary inputs obtained either from the Government's own resources or through other external financing. No specific projects to address the dimension of women in development were implemented; however women benefited from the training activities of the above-mentioned projects.

9. The comparative advantage of UNDP assistance was most successfully realized in sustaining national capacity-building and through efforts in mobilizing non-IPF sources to supplement available funding in certain key areas, namely the environment management plan (EMPS-2000) prepared by the Government with significant assistance from UNDP, the United Nations Environment Programme, and the World Bank. Substantial external funding for the EMPS investment programme was mobilized at a donors' consultative meeting in February 1991 sponsored by UNDP and financed from special programme resources (SPR). Funding for the management development programme was obtained to assist the Government in the preparation of a human resources development programme which will be presented to a donors' consultative

meeting in early 1993. The Government chose to limit use of national execution in the programme but intends to expand this modality selectively.

B. Proposals for UNDP cooperation

1. Preparatory process

10. In addition to the mid-term review, programme preparation was based on the National Development Plan (1990-1994) and the environment management plan, both of which resulted from a UNDP policy dialogue and funding assistance. A series of consultations were held with the Government, building on the advisory note, and with major donors, NGOs and representatives of the private sector, as well as United Nations specialized agencies, resulting in a consensus by all parties to extend support to the Government's priority programme focus on environmental protection and national capacity-building.

2. Strategy for UNDP cooperation

11. The Government recognizes that development efforts and sectoral policies must be related to available resources and a realistic appraisal of national potential and constraints, and intends to benefit from UNDP's recognized comparative advantages in support of national programmes, including: (a) catalytic use of the IPF as seed money to promote larger private sector investments, complementarity and coordination of efforts through mobilizing donor support; (b) strengthening liaison through UNDP with the specialized agencies of the United Nations system to address, inter alia, skills development for self-reliance, management training, energy management, and other capacity-building measures through additional sources of funding and the TSS-1 facility; (c) promotion of policy implementation and use of the programme approach through selective collaboration with UNDP to achieve human resources development and sustainable environment goals; (d) continued support in programming technical assistance requirements and fostering subregional cooperation through UNDP initiatives within the Indian Ocean Commission.

12. The Government's strategy will entail a coordinated use of UNDP resources with specific reference to preparation of national long-term perspective studies, a national technical cooperation assessment and programmes, and encouragement of NGO involvement in proposed efforts by the United Nations Children's Fund (UNICEF), UNFPA, WFP, WHO and UNDP in selected areas of common programming (national action plan for children, women in development).

3. Proposed UNDP cooperation in selected areas of concentration

13. Based on national commitment towards the above goals, the Government has chosen the following two areas of major programme concentration for UNDP cooperation. Inter-sectoral efforts towards achieving the national objective of sustainable socio-economic development will require multi-donor actions coordinated by UNDP support.

Programme I: Human resources development

(a) National objectives

14. Seychelles lacks sufficient skilled personnel and is highly dependent upon expatriate expertise in many sectors. The Government is seeking the creation of a well-trained and versatile workforce as a major objective of the 1990-1994 National Development Plan. Human resource imbalances covering the period 1990-1994 have been assessed through preparation of a human resources plan which will be developed further into a human resources development programme (HRDP).

15. The Government recognizes that implementation of programmes towards effective planning, development, utilization and management of human resources will require extensive support from a wide range of institutions and also will require pursuing various strategies aimed at ultimately satisfying labour market conditions. The entire process of human resources management will require a host of intermediary managers applying various principles, practices and techniques at specific levels in organizations/sectors. The Government's effectiveness in developing such a cohesive and integrated system will depend on the degree and manner in which individual organizational/sectoral links are solidified, inter-connected and enforced.

(b) Proposed UNDP cooperation

16. UNDP support is sought for the design and formulation of the HRDP, including through the management development programme, in the area of human resources planning and development in the formal education and employment sectors and through the development of an institutional framework for HRDP implementation. Assistance is sought as well for ensuring that a Women in Development (WID) perspective is mainstreamed in the resultant HRDP. A national workshop on the HRDP is planned in 1992 and UNDP has been requested to co-sponsor with the Government a donors' consultative meeting in early 1993, to mobilize non-IPF funds.

17. The Government intends to pursue a continuous dialogue with UNDP in order to identify areas of interaction for UNDP and other donors, and in addition to the support programme outlined below, has chosen to use IPF funds in implementing the HRDP so as to build in concern for gender dimensions, to establish a systematic follow-up and coordination of donor commitments and

inputs, and to monitor continuously and assess the results of the implementation.

(i) Support programme: capacity-building through strengthening key institutions concerned with human resources development and education management

18. The UNDP country programme will support institutions with direct responsibility for human resources planning and development (at the macro or national level) to create mechanisms to coordinate various contributions from diverse quarters; to enhance the capabilities of existing staff and to recruit and train additional coordinators to be more effective in human resources management functions. More specifically, assistance will be required to enhance human resources management capacity of the Manpower Division of the Ministry of Administration and Manpower, the Seychelles Institute of Management (which will play an important role in implementing the HRDP) and the International Cooperation Section of the Ministry of Education, whose responsibility includes management of training awards. Support to strengthen national capacity to mainstream women in development in the foregoing institutions, including the Ministry of Planning and External Relations, will be provided in collaboration with other donor agencies. The Education Management Unit of the Ministry of Education has overall responsibility for the operational sections which mainly deliver education and training. Restructuring of the education system is foreseen and will have important repercussions for curriculum development, training of trainers, upgrading teachers' skills, and also upgrading vocational and technical education. UNDP support is sought to build necessary capacity within the Education Management Unit to meet these requirements.

(c) Programme I. performance indicators

19. (1) Formulation of HRDP and commitments obtained at the donors' consultative meeting in 1993;

(2) Successful implementation of the human resources development programme with UNDP support to specific components of the programme and contribution to increased employment of skilled nationals;

(3) Increased gender-sensitivity and strengthened national capacity for sustained mainstreaming of WID issues in key institutions concerned with human resources development.

Programme II: Protection and preservation of the environment

(a) National objectives

20. As a consequence of rapid tourism development and that sector's impact on the limited water/sanitation and health infrastructure, the Government has identified needs in environmental management and prevention as critical concerns. The Goverment's success in achieving wealth creation and enhanced

per capita income by encouraging owner-operated businesses, joint ventures, and appropriate industries within the tourism sector under the previous National Development Plan (1984-1989) has made it all the more imperative to protect, manage and enhance the country's ecosystems and natural resources, and to assure the maintenance of a healthy and safe environment on which present and future socio-economic development depends. Sustainable development is the principal policy focus adopted by the Government in the new National Development Plan (1990-1994), and the environmental management plan presents, in more detail, priority issues and proposals for effective implementation of the Government's policy.

(b) Proposed UNDP cooperation

21. UNDP support is being sought to prepare proposals for the Global Environment Facility (GEF) for protection of the natural habitat and environment as a world heritage; and to liaise with the United Nations specialized agencies in reviewing and strengthening of legislation, regulations, surveillance and enforcement procedures for the imports of plants and animals and the establishment of a quarantine facility.

(i) Support programme: strengthening national capacity in implementing the environment management plan (EMPS-2000)

22. In February 1991, the Government hosted a donors' consultative meeting on the environment organized with UNDP assistance. Projects amounting to a total of $55 million were presented, of which pledges of $40 million were obtained. A steering committee for environment projects, appointed by the President in March 1991, convenes monthly under the chairmanship of the Minister of Planning and External Relations, in order to ensure the smooth and uninterrupted implementation of the EMPS-2000. The other members of the committee are representatives of substantive ministries. UNDP support is requested to assist the steering committee in (1) following-up on donor commitments, and programming their inputs into a timetable of implementation, taking into account the procedural lead-time necessary for them to furnish their assistance; (2) setting up an information system to monitor and continuously assess the implementation of EMPS-2000; and (3) providing appropriate training for department of environment staff. The Government has requested UNDP cooperation also to assist the Department of Environment and the Seychelles Standards Bureau in acquiring and adjusting international standards for air, water and noise quality to meet the particular environmental conditions of the Seychelles.

(ii) Support programme: environment health

23. The Government intends to sponsor intersectoral collaboration to ensure that a healthy and safe environment is maintained and special attention given to areas such as occupational environmental safety and health, the judicious and safe use of chemicals, the protection of water supplies, insect, rodent and pest control, and the disposal of wastes. A continuing increase in cases of leptospirosis (leptospiral jaundice/swamp fever), in some instances fatal,

attributed to vector transmission by rats and probably concomitant environmental conditions, has prompted concern over environmental health. UNDP support is sought to strengthen collaboration between the Seychelles Bureau of Standards and the Public Health Laboratory to ensure strict adherence to quality assurance procedures and to enhance coordination with WHO's programmes. UNDP cooperation will also assure that NGOs play an active and important role in support of the Government's goals in this area and with programmes concerning the environment in general.

24. (c) Programme II: performance indicators

(1) Donors fulfil their commitments to EMPS-2000 pledges;

(2) Effective functioning of an information system for monitoring and continuous assessment of the implementation of EMPS-2000;

(3) Effective and timely implementation of EMPS-2000;

(4) Established national standards for air, water and noise quality;

(5) Improved environmental health conditions with particular reference to rodents and pest control and the protection of water supplies;

(6) Reduced incidence of leptospirosis.

25. The country programme addresses five of the six areas of focus recommended in Governing Council decision 90/34. Increased NGO participation in environmental activities will enhance grass-roots participation in the crucial area of environment and natural resource management, while the HRD focus will pay particular attention to the role of women in development. A flexible response to management development and TCDC is foreseen in the unprogrammed reserve which may also serve to facilitate the transfer and adaptation of technology for development.

Complementary assistance

26. The Government anticipates that additional/parallel assistance will come from close coordination between UNDP and other donors involved in the main programme areas selected for support in the country programme, as well as from within United Nations system organizations and NGOs. Commitment of virtually all the major donors to EMPS-2000 is assured and provides considerable potential for collaboration. The European Economic Community (EEC), France and the United States have indicated potential support, while the United Kingdom envisages possible cooperation with the Government's programme in human resources development. TCDC will be explored with India, with which preliminary discussions have already been held. Involvement of NGOs in the country programme will be encouraged throughout implementation of the environment plan and the ongoing WHO/Global Programme for acquired immunodeficiency syndrome (AIDS). The Government's opportunities for tapping into special facilities/funds such as the United Nations Development Fund for

Women (UNIFEM), African Project Development Facility, African Capacity Building Foundation, the Drug and Narcotics Funds, the Global Environment Facility and the special facilities for financing AIDS prevention at the community level through the Division for Global and International Projects (DGIP), will also be explored for complementary assistance through UNDP cooperation.

C. Assistance outside main country programme areas

27. An employment generation project totalling $2.34 million, aimed at improving the income and standard of living of small farmers, the landless and the unemployed through increased agricultural productivity and credit-backed off-farm income-generating activities, was approved by the Executive Board of the International Fund for Agricultural Development (IFAD) in April 1990. A loan agreement of $1.1 million was signed between IFAD and the Government in September 1990. The Government envisages technical support from UNDP to assist the strengthening of project monitoring and evaluation and the marketing of agricultural products and has requested financing of a United Nations Volunteer for one year.

28. In addition to the above two areas of programme concentration, the Government has requested UNDP to maintain an unprogrammed reserve to be utilized for strategic actions related to development policies at the global (macro) level or at the sectoral level, to serve as seed money and generate a multiplier effect, and to provide a certain flexibility in responding to pressing development needs. It is envisaged that the reserve will fund pre-feasibility studies, increased TCDC and training for national execution of programmes, start-up of the NATCAP process and national long-term perspective studies, increased donor participation in initiatives undertaken, and development and implementation of a UNDP strategy to respond to the private sector.

D. Implementation and management arrangements

29. The Government is committed to cost-effective execution modalities such as utilization of United Nations Volunteers, short-term consultants and NGOs, backstopped by United Nations technical agencies. National execution will also be expanded selectively at the same time using UNDP support for appropriate training to strengthen the management capacity of implementing institutions including NGOs.

30. Government management of UNDP support will be the responsibility of the Ministry of Planning and External Relations. Annual reviews will be held to measure performance against indicators, as well as progress in implementing a programme approach in the delivery of UNDP assistance. A mid-term review will examine the continuing relevance of the programme to national development priorities and progress in the areas of concentration recommended as focus for UNDP assistance.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

	(Thousands of dollars)	
Carry-over from fourth cycle IPF	-	
Fifth cycle IPF	1 031	
Subtotal IPF		1 031
Programme cost-sharing (Government)	-	
Project cost-sharing (third party)	-	
Programme cost-sharing (Government)	-	
Subtotal cost-sharing		-
TOTAL		1 031

II. ALLOCATION OF RESOURCES BY AREA OF CONCENTRATION

Area of concentration	(Millions of dollars) IPF	Cost-sharing	Total	Percentage of total resources
Human resources development	410	-	410	40
Environment protection/ preservation	410	-	410	40
Subtotal	820	-	820	80
Unprogrammed resource	211	-	211	20
TOTAL	1 031	-	1 031	100

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III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

		(Thousands of dollars)
A.	UNDP-administered funds	
	Special programme resources (SPR)	160
	UNCDF	-
	UNSO	-
	UNIFEM	-
	UNRFINRE	-
	UNFSTD	-
	Subtotal	160
B.	Other United Nations resources	
	JCGP participating agencies	
	UNFPA	900 a/
	UNICEF	250
	WFP	294 b/
	IFAD	1 100
	Other UN agencies (non-UNDP financed)	-
	Global Environment Facility (estimated)	1 385
	Subtotal	3 929
	Total non-core and other United Nations resources	-
C.	Non-United Nations resources	
	TOTAL	4 089

a/ For period 1991-1995.

b/ For period 1992-1993.

Annex II

PROGRAMME MATRIX a/

Area of concentration	Area of focus					
	Poverty eradication and grass-roots participation	Environment and natural resources management	Management development	TCDC	Transfer and adaptation of technology	WID
I. HUMAN RESOURCES DEVELOPMENT						
Capacity-building through strengthening key institutions concerned with manpower development			*			*
Capacity-building through strengthening of education			*			
II. PROTECTION AND PRESERVATION (with NGO involvement)						
Strengthening national capacity in implementing environment management programme		*	*			
Environmental health	*	*	*			
III. UNPROGRAMMED RESERVE						
Pre-feasibility studies (TCDC, NLTPS and promotion national-execution training)			*	*		

a/ Asterisks indicate major linkage only.